

POLICY ON THE PRINCIPLES GOVERNING THE EXERCISE OF VOTING RIGHTS OF PUBLIC COMPANIES

V_16 DISCLOSURE OF ACTIVITIES

V_16-1 Social responsibility

The Caisse attaches particular importance to the social responsibility of companies. This element has become a core consideration in all investment decisions.

The Caisse adopted a specific Policy on Socially Responsible Investment, reproduced in Appendix 3.

This policy identifies the exercise of voting rights as the primary way a shareholder can have a say in the ethical, environmental and social conduct of a company.

The Caisse will always take into consideration the principles put forth in its Policy on Socially Responsible Investment when it addresses social, environmental, ethical and related issues.

The Caisse however establishes a number of voting principles concerning certain subjects.

V_16-2 Policies and other frameworks

The Caisse encourages companies to adopt policies on governance, workers' rights and conditions, standards of ethical conduct, outsourcing of activities, political contributions and all other related elements.

The Caisse favours disclosing these policies and their application to shareholders. This must not however entail unreasonable costs and efforts on the part of companies.

V_16-3 Protection of the environment – Disclosure of activities

The Caisse supports shareholder proposals for disclosure of the activities of the companies in which the Caisse is a shareholder, from environmental, human or social standpoints. However, such disclosure must not involve unreasonable cost or effort to the companies.

V_16-4 Contributions to political parties – Disclosure of activities

In a democracy, exercising the right to vote is proper to citizens, not to companies, and the latter must not financially influence the democratic process. Subject applicable laws permitting it, the Caisse is therefore opposed to any kind of contribution by companies to political parties or similar movements. Should a company make such contributions, acting contrary to this principle but not to the applicable legislation, then it shall disclose the contributions it has made.

V_16-5 Contributions to philanthropic activities

The Caisse encourages the social and economic involvement of companies in their communities.

This policy was adopted on September 23, 1994 and was amended on February 27, 1998 and on January 19, 2007.